

Ned J Simpson  
Ann Arbor, Michigan

October 2, 2015

The Honorable Sylvia Mathews Burwell, Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

RE: State of Michigan's second proposal to amend the waiver enabling the Healthy Michigan Plan  
(Medicaid Expansion)

Dear Secretary Burwell:

Thank you for the opportunity to comment on the Michigan Department of Health and Human Services' (MDHHS) second waiver amendment proposal for our state's Medicaid Expansion, the Healthy Michigan Plan.

I have recently retired from a career in operations and systems roles aimed at improving the US health care system. In recent years, I lead the team implementing the original Mass Health Connector web site and was part of the management team implementing the New York State of Health web site.

The Michigan legislature, intentionally or not, has created a conundrum with the second waiver request. The statutory language enabling Michigan's Medicaid Expansion and dictating the second waiver presents parameters for enrollee payments and use of the Federal Marketplace that go well beyond what has been considered reasonable for Medicaid. With an unrealistic December 31, 2015 ultimatum for CMS waiver approval or else Michigan will discontinue the Healthy Michigan program, it will be challenging to negotiate a waiver that holds true to the principals that established Medicaid.

The statute that drives the second waiver jeopardizes what has been a notable success. The need for the Healthy Michigan Plan has been amply demonstrated by swift growth in enrollment to cover more than 600,000 Michigan residents. It is worth noting that since its launch, the Healthy Michigan Plan has already resulted in more than 344,000 primary care visits, 116,000 preventive care visits, 35,000 mammograms, and 17,000 colonoscopies. This is evidence of preventative healthcare utilization that allows consumers to stay healthier for longer periods of time, as well as to detect and treat many conditions earlier and more inexpensively. As the MDHHS director, Nick Lyon, stated, "A year into the Healthy Michigan Plan program, the numbers show that Michigan residents are serious about taking the preventative measures necessary to improve health outcomes and reduce the risks of more serious, costly health complications." For humanitarian, moral and economic reasons the program must continue.

I believe the Republican majority Michigan Legislature has created an artificial and unnecessary crisis that not only jeopardizes the health and family stability of hundreds of thousands of Michiganders, but exacerbates the problems in the Michigan economy. Provisions in the second waiver will not benefit the State's budget and are insensitive if not downright mean-spirited towards struggling less fortunate Michiganders. The Republican Legislature should rectify the problem they created. However, given the track record and rhetoric of the Republican run Michigan legislature, it is questionable that corrections will be made to the statute to avoid elimination of Healthy Michigan.

Thus a burden on your agency, which fortunately has demonstrated its extreme capacity and creativity in reaching consumer-friendly agreements with states that use waivers to expand their Medicaid programs. I ask you to use that capacity again to ensure continuation of the Healthy Michigan Plan through negotiations that lead to approval by the statutory deadline of December 31,

2015. I also expect the state to negotiate in good faith to see that well-established federal Medicaid beneficiary protections are held in place.

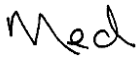
Whatever the negotiated waiver contains, it would be very regrettable if the Michigan program, agreed to under duress, becomes a precedent for other states to pull back on Medicaid support.

Michigan Consumers for Health has articulated areas for CMS focus (Attached). I support them as well:

I am confident that your agency and the office of Governor Snyder can negotiate a solution that continues the great success of the Healthy Michigan Plan in creating a more affordable, higher quality, and more accessible healthcare system that is particularly suited to the needs of lower income, childless adults in Michigan, maintains the integrity of the national Medicaid program, and does not trigger the December 31, 2015 ultimatum,.

Thanks you and your agency for your fine service

Sincerely,

A handwritten signature in black ink, appearing to read "Ned".

Ned J Simpson  
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simpsonn@comcast.net

cc: Governor Rick Snyder  
Michigan State Senator Joe Hune Senator  
Michigan State Representative Gretchen Driskell  
US Senator Gary Peters

## Michigan Consumers for Health

As your department and MDHHS work together to find a viable approach that allows the Healthy Michigan Plan to continue, we would like to point out key concerns regarding the known or potential negative impacts consumers could face without careful work to mitigate them under the current state law. While this list is not exhaustive, it highlights issues identified by our coalition as areas of extreme concern.

- **Computing the 48 month “trigger”:** The second waiver requires consumers who are earning between 100-133 percent of the Federal Poverty Level (FPL) and who have been enrolled in the plan for a cumulative period of 48 months to either seek private coverage through the Marketplace (presumably after receiving advance premium tax credits, which would also need to be authorized via a waiver of some kind), or remain in the plan with a maximum cost-sharing of seven percent, an increase over the current ceiling of 3.5 percent.
  - We are unsure how the 48-month cumulative limit will be computed and tracked. We call on you to agree upon a mechanism that provides the most generous mechanism in service of this requirement for a population that still remains very low in income, despite the arbitrary targeting of this income range for higher cost-sharing by state statute. We also ask that you recognize that incomes frequently fluctuate significantly over time in this population. Calculating and tracking the combination of program enrollment and income over time must be done in a way that does not effectively penalize beneficiaries for this common phenomenon. Any process designed to tabulate the cumulative 48 months of enrollment within the target income range must be suited to the particular nature of variable incomes in this population by weighing all factors in favor of the most generous computation for beneficiaries.
  - An agreement must include comprehensive notice requirements suited to the unique needs of the enrolled populations in order to ensure that they are amply warned before they reach the trigger of 48 months. Challenges in devising this essential consumer protection component include frequently changing physical addresses, restricted access to telephone and internet, etc.
- **Clarification of healthy behaviors:** MDHHS’ proposal suggests that cost-sharing requirements could be reduced for beneficiaries after reaching the 48-month trigger, but the proposal provides insufficient detail about this possibility. We request that minimal deviation from established healthy behaviors in the current Healthy Michigan Plan be allowed, in order to limit confusion and compliance barriers.
- **Providing a simple hardship exemption for the target population:** Despite being in the target income range, the beneficiaries in question remain subject to extreme financial risk in most areas of their lives. A simple automotive breakdown, for example, can create a financial disaster for individuals in this income range, and trigger a hardship that should qualify beneficiaries for exemption from the cost-sharing requirements of the second waiver. Such a hardship exemption should require a simple procedure that reduces the burden on the consumer, such as a self-attestation without documentation. This approach also eases the administrative burden for the department, while ensuring that eligible beneficiaries have as few barriers between them and reduced cost-sharing as possible. At least one other state has used a similar consumer protection mechanism, and we believe it is critical to protect Michigan beneficiaries, too.
- **Providing wrap-around services and supports through Marketplace coverage:** The Healthy Michigan Plan benefits package is robust and provides a level of coverage that will be difficult for consumers to find in private policies offered through the Marketplace due to their low incomes. It is essential that the benefits structure afforded by any Marketplace policies be comparable to Healthy Michigan Plan coverage. To accomplish this goal, MDHHS has indicated that it intends to develop wrap-around services. We recognize the difficulty of this proposition, and are especially concerned with how enrollees who might face

this option will be educated about the key differences in coverage between their existing plan and a marketplace plan.

- **Creating simple and regular opportunities to re-enter the Healthy Michigan Plan:** Consumers who elect private coverage obtained through the Marketplace may find that it does not meet their needs. It is critical that consumers who find Marketplace coverage inadequate be able to return to Healthy Michigan Plan coverage on an ongoing basis with minimal wait times. Additionally, the procedures for doing so must place minimal burdens on the consumer in terms of procedures and documentation, for example.
- **Collecting information:** It is vital that the MDHHS collect data on the experiences of consumers in the target population to inform future policy decisions. The cost-sharing requirements in the second waiver are significant for low-income individuals, and their potential future interactions with the private insurance markets and its products are largely unknown. It is essential to understand, should the waiver be approved, how these policies affect not only individual consumers, but also enrollment patterns and numbers. This will help to inform the MDHHS and the legislature's future work on the program. We believe that MDHHS should also agree to track the full costs to the state to administer the provisions of this waiver amendment, if approved.